

## The Board of Treasury to whom was referred on the 7th July inst. a paper from le Sieur Marbois, charge des affaires of His Most Christian Majesty, dated 16th May last, report

**The Board of Treasury to who was referred** on the 7th July Inst. a **PAPER** from **LE SIEUR MARBOIS**, Charge des Affaires of **HIS MOST CHRISTIAN MAJESTY**, dated 16th May last,—

**REPORT,— THAT** they have examined the purport of the said paper, and find that the objects of monsieur Marbois's representation, are,

FIRST. That the subjects of his most christian majesty, who are proprietors of loan-office certificates, have not received those payments of interest, which by the laws of several states in the union have been from time to time made to their respective citizens, notwithstanding the recommendatory resolve of Congress of the 27th April, 1784,— That although an application was made by the charge des affaires, to one of the states, pressing a compliance with the above resolve, no satisfactory assurance has been given of justice being done to the French creditors.

SECOND. That deposits have been made by the subjects of his most christian majesty, of continental money, at different periods, agreeable to the forms in such cases provided, to the amount of betwixt five and six millions of dollars; that no valuation having been made of these funds, it appears reasonable that Congress should ascertain their worth at the time of the deposit; and some means should be adopted of making these funds of value to the possessors.

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THIRD. That Mr. William Bingham, late agent for the United States, in the island of Martinico, has not reimbursed the sums advanced to him, not only by the treasurer and correspondent of the commissary, but by several individuals in that island, notwithstanding he has long since received the payment of his claims against the United States; and that the delay occasioned by Mr. Bingham's absence from Pennsylvania, greatly affects the interest of those who have claims against him.

FOURTH. That the debt due by the United States to les sieurs Sabatiers and Despres, (the principles of which were laid before Congress three months since) has been discharged by the royal treasury of his most christian majesty, and no arrangement made for reimbursing the same.

FIFTH. That Congress, on the 16th of April, 1784, on a representation of the chevalier de la Luzerne, late minister plenipotentiary of his most christian majesty, resolved, "That they would, with the greatest care, adopt subsequent measures for the punctual payment of the principal and interest of the debt due to France by the United States, according to the terms of the several contracts:" That the ministers of his most christian majesty are not acquainted with the effects of these measures; and that he has it in command to inform them of the result.

The board having maturely considered the objects of the above representation, submit, on the first head, to the consideration of Congress the following resolves:

That the several states be again urged to make provision for paying up the arrearages of interest due to foreigners, on loan-office certificates issued in their respective states, so as to place their claimants on a footing with their own citizens; and that in all future laws, which may make provision for the payment of interest due by the United States, it be strongly recommended to them to make no distinction betwixt their own citizens and the subjects of a foreign power.

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That, to enforce this resolve, a circular letter be signed by the president, and transmitted to the supreme executives of the respective states, to be laid before the several legislatures, stating the principles of justice upon which this requisition is founded, how repugnant a distinction in the payment of public debts is to the usage of all civilized nations who know the value of national credit, even in time of war, and in injury which may arise to the union by any discrimination in the payment of public debts, betwixt the citizens of these states and the subjects of foreign powers.

That in all cases where the loan officers of the respective states are authorised, in consequence of the requisitions of Congress, to issue certificates redeemable in taxes, for the payment of interest, they be directed to issue certificates of interest to the subjects of foreign powers for monies loaned in their respective offices; and that these certificates be received in taxes due to the United States, in the same manner with those granted to domestic creditors in the several states.

That, in the regulation of the office and duties of the respective loan officers, or receivers of taxes, Congress will, from time to time, make such provision as may ensure the execution of the just purposes intended by the foregoing resolve.

On the second head, they submit the following resolves:

That the charges des affaires of his most christian majesty be informed, that the resolve of Congress of the 17th March last, limiting the time for the settlement of claims of individuals against the United States, cannot be construed to extent to foreigners, not resident within the United States.

That le sieur Marbois be requested to lodge an abstract of the continental money, the bona fide property of the subjects of his most christian majesty, with the commissioners of the board of treasury, specifying the amount, and the date of the deposit, the name of the person by whom, and on whose account the deposit was made, together with such

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other evidence, authenticating the same, as monsieur Marbois may be able to furnish; and that Congress will cause the same to be liquidated on as favorable principles as the circumstances attending the circulation of that currency, and the claims of other holders of continental paper, can possibly admit of.

On the third head, they submit the following resolve:

That le sieur Marbois be informed that Mr. Bingham, late agent for the United States, at Martinico, has received the whole of his demand against the said states, to enable him to satisfy those engagements for which he had made himself personally responsible whilst in the island of Martinico: That they presume, notwithstanding Mr. Bingham's absence, the laws of the state of Pennsylvania, (the seat of his property, and former residence) will afford a remedy to the claimants; but should there be any defect in such laws, it cannot be doubted but the legislature of Pennsylvania, from a regard to the principles of justice, will, on a proper representation, make provision for enabling foreigners to recover their just claims against such of their citizens as may be absent from the state.

With respect to the fourth head, which relates to a debt alledged to be due to messieurs Sabatier and Despres:

The board find that messieurs Sabatier and Despres alledge, that they were authorized, on the requisition of colonel Laurens, to purchase goods to an amount exceeding two million of livres, which are charged to the United States, and included in the loan of ten million livres; but that it does not appear that the accounts of these disbursements were examined and admitted by any person on the part of the United States.

That the balance stated to be due to the royal treasury of France, for their advance to messieurs Sabatier and Despres, is one hundred thirty-four thousand and sixty-five livres, seven sols, six deniers; which sum arises from charges of transportation, and an additional allowance of four per cent. commission on the payments made by that house; the sum

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of six per cent. having been before allowed them for advances, commission, trunks and packages.

That although it is not consistent with the independence of the United States, or their established rules of office, to have the accounts of persons employed in their service, liquidated under any other authority than what is derived from them. Yet, in as much as the whole purchase of these goods is actually included in the contract of ten million of livres, and the balance claimed by messieurs Sabatier and Despres, paid by the royal treasury of France, the board of treasury submit to the consideration of Congress the following resolves:

That the sum of one hundred and thirty-four thousand sixty five livres, seven sols, six deniers, paid by the royal treasury of France to messieurs Sabatier and Despres, in full of a balance claimed by them from the United States, be acknowledged as a debt due from the United States to the royal treasury of France: That Congress will take measures for reimbursing the same, as soon as the state of the finances will admit of it; and that it shall in the mean while bear an interest of five per cent. from the date of the advance.

*Resolved*, That the admission of the accounts of messieurs Sabatier and Despres for the purchases and services performed by them on account of the United States, on a requisition of one of their ministers, shall not be considered as a precedent for the future allowance of any claims made on them, which are not previously liquidated, under the authority of these United States.

*Resolved*, That the board of treasury direct Mr. Barclay to procure and transmit a particular state of the accounts, exhibited by messieurs Sabatier and Despres to the royal treasury of France for expenditures made by them on account of the United States.

On the fifth head of the representation, which requires information on the effects which have followed from the resolution of Congress of the 16th April 1784, relative to the

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payment of the interest, and future installments of the principal of the debt due to France from the United States,

The board beg leave to report,—

That they do not find from the journals of Congress that any measures have been adopted by the United States for procuring funds for the payment of the principal and interest of the debt due to France agreeably to contract, since the general requisition of Congress of the 28th April 1784.

That notwithstanding that requisition (looking forward to a compliance, on the part of the several states, with the resolve of Congress of the 18th April, 1783, for establishing permanent funds) confined to a demand of the interest on the national debt, for one year only, and the sum actually necessary for the support of the civil establishment, the several states in the union paid, in the course of 1784, but five hundred and twenty-two thousand one hundred and sixty two dollars, out of two million six hundred and seventy thousand nine hundred and eighty-seven dollars, the amount of that requisition.

That the superintendant of finance, in the month of October last, remitted to monsieur Grand, banker to the United States at Paris, the sum of four hundred thousand livres, for the express purpose of paying the interest for the year 1784, on the ten million of livres borrowed of Holland, and guaranteed by France; that Mr. Grand has paid into the royal treasury of France, the moiety of that sum, reserving the balance for the discharge of other engagements of the United States, which were from time to time falling due.

That although the present state of the finances renders it extremely difficult to defray the ordinary charges of the civil establishment, the board have made effectual arrangements for the punctual payment of the whole interest which will become due in November next, on the loan of ten million of livres guarranteed by France.

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That such is the present stagnation in the receipt of taxes, that it is impossible for this board to give any assurance of further payments of interest due to France in the course of the present year, unless the United States in Congress should urge the states to an immediate and vigorous exertion in the collection of the arrearages of taxes, due on the requisitions of the 4th September, 1782 and 28th April, 1784.

On this head of the representation of the charge des affaires of his most christian majesty, the board have confined themselves to the statement of the effects which have flowed from the resolve of Congress of the 16th April, 1784, and the measures adopted by the late and present administration of the treasury, with respect to the payment of the annual interest due to France.

However anxious to see the public revenue placed on so solid a basis, as to put it in the power of the United States to pay, with punctuality, the interest of the national debt, so justly due, and so long delayed, the board can only be responsible for the prudent and faithful disposition of those monies which actually come into their hands. Though an anticipation of the public revenue might have been justifiable in time of actual invasion, without any certain funds being provided for its redemption, it would argue a want of prudence, and those principles of probity, which ought to characterise the administration of the finances in every well governed state, to enter into great anticipations in time of profound peace, without any established system of revenue, and for purposes, to which no uncommon exertions in the collection of taxes are necessary.

With all deference to Congress, the board beg leave to observe, that the payment of the interest, and the discharge of the principal of the foreign debt, at the stipulated installments, is in their opinion a primary object. In the course of this year, two years interest will be due on the loan of six million of livres; and though the interest on the loan of eighteen million of livres is not payable till three years after the peace, when the repective installments become redeemable, such an accumulation of interest, added to the weight

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of the proportionate payment of principal, may, if postponed, prove too burthensome to discharge in the course of one year.

The funds necessary for the discharge of the interest of the national debt, ought, in the opinion of this board, to be certain in their collection, and adequate to their object. From the experience of past annual requisitions, there is no reason to think them competent to these ends. Whatever, therefore, modifications may at present be admitted for the discharge of domestic interest, that due for the foreign debt must be paid at the places and periods stipulated in the contracts; if the respective states provide certain and adequate funds, payable in solid coin, for their proportionate share of this interest (which may with sufficient precision be ascertained from their respective quotas) the board presume they would not find much difficulty in entering into advantageous contracts for the payment of the foreign interest, with merchants of reputation, who would export for this purpose the commodities of the several states where the funds are provided: In this manner the board have secured the payment of the interest on the ten million loan, due in November next. The money necessary for this object (being part of the quota of Virginia) is expended in the purchase of tobacco, and the contractors lodge in France the amount received at the advantageous exchange of five livres eight sols per dollar.

Solid advantages would arise, not only to the United States, but to the several members of the union, from such an operation. To the United States, because it would save them from the painful dilemma of holding up to their foreign creditors assurances of payment, which, though made with the purest intentions, prove in the end fallacious, for want of permanent and regular funds being provided by the several states; and because it would enable them to remit the interest and principal of the foreign debt, without engaging in commercial adventures, (always, if possible, to be avoided by public bodies) or being reduced to the necessity of remitting, at an exchange far above the par of coin. To the several states, because, by preserving by this operation the coin in their country, it would facilitate the



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collection of taxes, whilst it promoted the sale of their products, and the employment of the shipping necessarily engaged in vesting these funds.

With respect to the memorial of monsieur Le Ray du Chaumont, in behalf of himself and other merchants of France, holders of continental money and loan-office certificates, the board are of opinion that the memorialists should be referred to the decision of Congress, on the representation of the charge des affaires of his most christian majesty.

All which is, with deference to the judgment of Congress, submitted. **SAMUEL OSGOOD, WALTER LIVINGSTON. BOARD OF TREASURY, 30th JULY, 1785.**